

Report to	Housing Advisory Board
Date	25/06/2025
Agenda No. & Title	6 Heat Networks
Purpose of the Report	<p>To inform the Board about upcoming regulatory changes under the Heat Networks Regulations 2025 and their impact on Bury's housing schemes that operate communal heating systems. From January 2026, heat networks will be regulated by Ofgem, requiring us to meet the same consumer protection, technical, and transparency standards as traditional energy suppliers.</p> <p>The paper outlines:</p> <ul style="list-style-type: none"> <li>• What heat networks are.</li> <li>• Key changes in legislation and regulatory expectations</li> <li>• Schemes with Heat Networks in Bury.</li> </ul>
Status	For information
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Appendices	Heat Network report
Background Documents	<a href="https://www.gov.uk/guidance/heat-networks">Heat networks regulation is coming   Ofgemhttps://www.gov.uk/guidance/heat-networks</a>
Recommendation/s	Delivery Priorities in report.
Corporate Plan Objective	The Heat Networks standards support the Bury Net Zero Carbon Neutral Strategy 2038
Risk Implications	Energy Ombudsman penalties for non compliance.
Mitigations/Controls	Delivery priorities and progress documented in the report. Appointment of an independent specialist provider to manage on behalf of Bury Housing Services.
Financial and Value for money implications	To be reviewed and reported back to board once underway.
Regulatory/	The energy Ombudsman expectations as highlighted in the report. ,

governance and legal implications	there are penalties associated to noncompliance.
Assets and Liabilities	
Resource Implications	Not yet identified
Customer Impact	Clearer comms to tenants about billing, improved protection for tenants, set standards for dealing with disruptions to heat networks. Long term , more reliable systems, fair pricing and compliance with a national standard.
EDI Implications	This report does not have a negative impact from and EDI perspective but does help us to identify how we can be more representative of our tenant demographic in relation to vulnerable tenants in our schemes.
Sustainability and Environmental Implications	Heat networks contribute by: reducing carbon emissions, improving energy efficiency, supporting net zero goals and futureproofing housing stock, ensuring they are complaint.
Privacy/Data Protection	
Colleague Impact	Potentially a ruse in complaints work, reporting against KPI's and the management of the contractor to ensure compliancy. .
Stakeholder Communications and Reputational Impact	Clear messaging is critical for all stakeholders. Changes in costs /billing or service disruption if not explained could result in complaints. There is an opportunity to engage with the TVF, tenants who have heat networks and HAB to explain this further and plan for the future together. Communications need to manage expectations making it clear what tenants can expect and what their rights are.
Next Steps	Delivery Priorities in report.

## **Bury Housing Services - Heat Networks.**

### **Introduction**

A heat network supplies heating and hot water from one central source to multiple homes or buildings through a network of insulated pipes carrying hot water or steam. Bury Housing has 6 communally heated residential sites.

### **What's Changing?**

The Heat Networks Regulations 2025, introduced under the Energy Act 2023, will bring full regulation of heat networks across Great Britain.

From January 2026, Ofgem will regulate heat networks, treating Bury Housing Service as authorised energy suppliers. This means we must meet the same standards as traditional energy companies in key areas:

- How customers are billed
- Customer service standards
- Complaints handling
- Protections for vulnerable consumers

Further guidance can be found here. [Heat networks regulation is coming | Ofgem](#)

### **Impact on Bury**

This legislation directly affects our housing schemes that operate heat networks. From January 2026, these schemes will need to comply with Ofgem's requirements.

Schemes with heat networks:

1. Waverley Place
2. Peachment Place
3. Redbank
4. Taylor House
5. Clarks Hill
6. Harwood House

### **Regulatory Expectations and Our Response**

#### **1. Register All Heat Networks with Ofgem**

- Expectation: All heat networks must be registered with Ofgem by the compliance deadline.
- Our Position: Completed – all Bury schemes operating heat networks are registered.

#### **2. Consumer Protection**

- Expectation: Mandatory membership of the Energy Ombudsman Alternative Dispute Resolution scheme; complaints resolved within 8 weeks; escalation to Ombudsman if unresolved.

- Our Position: We have registered with the energy ombudsman and have drafted a complaints policy statement in line with the guidance.
- Next Steps: Incorporate specific Ombudsman guidance into our existing Complaints Policy. Publish on our website.

### 3. Guaranteed Standards

- Expectation: Compensation for outages and service reliability failures; clear standards published.
- Our Position: Compensation expectations identified in guidance.
- Next Steps: Add a dedicated Heat Networks section to the Bury Housing Services Compensation Policy. Publish on the website.

### 4. Technical Standards

- Expectation: Compliance with Heat Network Technical Assurance Scheme (HNTAS) for performance and metering.
- Our Position: KPI framework in development to monitor compliance.
- Next Steps: Implement regular performance tracking and reporting against HNTAS standards. Review frequency of submission to the regulator.

### 5. Fair Pricing & Transparency

- Expectation: Bills based on actual consumption; clear tariff breakdown; advance notice of changes.
- Our Position: Appointment of Chirpy Heat to support management and ensure compliance.
- Next Steps: Review billing processes and tariff communication to align with Ofgem requirements. Ensure communications with all stakeholders is clear and transparent, understanding how we communicate with vulnerable tenants and by doing so avoid unnecessary complaints.

### 6. Support for Vulnerable Customers

- Expectation: Maintain a priority register; provide rapid response for heat loss incidents.
- Our Position: Vulnerability data is captured in QL, a data cleanse exercise is in development designed to capture key information including vulnerability.
- Next Steps: Target sheltered schemes for data collection and ensure priority register is complete and regularly updated.

## **Resource & Financial Implications.**

There will be financial costs associated to metering upgrades and improvements to heat networks. A review of our heat networks will be delivered by Chirpy Heat and will provide us with a compliance roadmap, the detail of which will be reported to the board.

## **Appointment of Chirpy Heat**

In October we appointed Chirpy Heat, an independent heat network specialist, dedicated to helping us manage, and operate compliant, efficient, and reliable communal heating systems. Chirpy Heat are in the process of undertaking a Regulation Readiness Review, this will help guide our overall approach.

Heat networks maintenance is managed by the Compliance team with investment and feasibility delivered via the Capital Investment team. The Finance team will oversee the Heat Network billing. Complaints associated to Heat Networks will be managed by the complaints team. We will monitor demand as we begin to deliver against the new standards.

## **Delivery Priorities**

- Audit heat networks for compliance gaps and develop a compliance roadmap. (2026)
- Implement Guaranteed Standards. (by 2027)
- Publish standards, Complaints and Compensation Policies.